

PUBLIC EMPLOYEES' RETIREMENT FUND INDIANA

MEMBER UPDATE
DECEMBER 2001

What's Inside...

**Message
From the
Executive
Director**
2

**Financial
Highlights**
4

**Investment
Highlights**
6

**Annuity Savings
Account
Highlights**
9

**The Board
of Trustees**
10

**Other
Information**
11



Blueprint For The Future

2001 Annual Synopsis

MESSAGE FROM THE EXECUTIVE DIRECTOR

E. William Butler



Dear Members and Employers:

I am pleased to present the Annual Synopsis of the Public Employees' Retirement Fund of Indiana (PERF or the Fund) for the fiscal year 2001. The information contained in this synopsis comes directly from the 2001 Comprehensive Annual Financial Report which can be obtained from the PERF web site at www.in.gov/perf.

As of June 30, 2001, PERF is responsible for the investment of the combined assets from the following retirement plans:

- Public Employees' Retirement Fund,
- 1977 and 1985 Judges' Retirement System,
- Excise Police and Conservation Enforcement Officers' Retirement Fund,
- 1977 Police Officers' and Firefighters' Pension and Disability Fund,
- Legislators' Retirement System (Defined Benefit Fund and Defined Contribution Fund), and
- Prosecuting Attorneys' Retirement Fund.

The Consolidated Retirement Investment Fund, or CRIF, was created in order to allow each of these plans the ability to share in the investment returns of equities and effectively invest in a diversified manner. Each plan owns a portion of the pooled assets in the general portfolio, or CRIF. The CRIF includes primarily all investments and transactions of the pension funds. In addition, PERF administers two special death benefit funds for public safety officers and state employees who die in the line of duty, and it administers the Pension Relief Fund. In total, the PERF Board and staff are responsible for the prudent investment of more than \$11 billion in combined assets.

Management's Responsibility to Members

As mentioned in last year's annual report and the recent Member and Employer Updates, the Board is working diligently to enhance service levels for our members and their employers. During fiscal year 2001, PERF made significant strides in improving services. The following is a partial list of the initiatives currently underway.

The CEM Project

Working with Cost Effectiveness Measurement, Inc. (CEM), we benchmarked the Fund's customer service against 36 leading U.S. and international pension systems. The project proved valuable in identifying the Fund's strengths and weaknesses, and serves as a baseline for continued improvements.

Strategic Planning

The Board's participation in a strategic planning exercise helped identify and prioritize the Fund's most pressing needs and in developing a business plan outlining how best to address those needs. Each year, the plan will be re-evaluated and, when necessary, revised to meet the Fund's changing needs in the coming years.

Communications

Over the past year, we spent time with some of our larger employers identifying their areas of greatest concern. Communication is a two-way street and we have taken steps to create better give-and-take between PERF and its various constituencies. The increased frequency of newsletters, improvements to the web site, and outreach to our employers, as well as enhancements to the annual report, are the first steps in developing a better dialogue with members and employers.

Information Technology

The Fund is continually looking for ways of utilizing advanced technology to provide more accurate maintenance of member benefit information and faster benefit estimates and retirement calculations. The timely and accurate transfer of information to and from PERF is critical to our ability to provide efficient customer service. Therefore, it is essential to have a data management system that is flexible and compatible with new technologies. The implementation of the Fund's new IT system, SIRIS, will come on-line in the coming year.

Staff Development

The pension industry continues to grow in complexity. As baby-boomers begin leaving the workforce, our systems will face increased demand. The work of the Fund is changing and needs to meet the new challenges with flexibility and knowledge. We continue to "professionalize" our staff by adding depth in existing departments and developing new functional areas focused specifically on customer service improvement. During the last year the Fund has added the following individuals to its staff:

- Patricia Gerrick, Chief Investment Officer,
- Edward Gohmann, General Counsel,
- Douglas Mills, Chief Financial Officer,
- James Osborn, Programs Director, and
- Kenneth Stoughton, Director of Human Resources.

The General Assembly also enacted a number of changes during fiscal year 2001 that benefit members of the Fund, including:

- Revising the factors used in determining retirement benefits under the Prosecuting Attorneys' Fund,
- Providing a Cost of Living Adjustment (COLA) and "13th check" to PERF eligible retirees and beneficiaries,
- Clarifying the amount employees can voluntarily contribute to their Annuity Savings Accounts,
- Increasing the frequency with which PERF members can make changes to their Annuity Savings Account investment elections, and
- Conforming Indiana law to the federal Senior Citizens Freedom to Work Act of 2000 that eliminates the earnings limit for retirement age (age 65 for those born before 1938).

PERF is committed to better serving our members and their employers in a variety of ways. In the coming year, our efforts will focus on the continued development of staff, the improvement of our telecommunications system, and completion of Phase II of our IT system upgrade, which focuses on the capability of the Fund to generate benefits. Also, as a service to members and employers, a variety of educational workshops and seminars are planned for the coming year through the development of an outreach services team.

Management's Responsibility for Financial Reporting

The Fund's management prepared the financial statements included in the Comprehensive Annual Financial Report for the 2001 fiscal year. For financial reporting purposes, the Fund follows Governmental Accounting Standards Board (GASB) Statement No. 25, Financial Reporting for Defined Benefits Pension Plans and Note Disclosures for Defined Contribution Plans. Assets of the Fund are presented at fair value.

The financial information included in this report are excerpts from the Fund's 2001 Comprehensive Annual Financial Report, which includes audited financial statements and notes thereto.

Additions (Revenues)

The assets needed to finance retirement benefits are accumulated through the collection of employer and member retirement contributions and through earnings on investments. Total additions comprised of contributions, net investment income, transfers from other plans, and other miscellaneous revenue for fiscal year 2001 totaled \$129.3 million for the entire Fund (see pages 4 and 5 of this synopsis).

The overall additions decreased \$947.8 million compared to those of fiscal year 2000 largely due to challenging equity markets compared to our strong equity performance last year.

Deductions (Expenditures)

The primary deductions of the Fund include the payment of benefits to members and beneficiaries, the refund of contributions to former members, transfers to other plans, and the cost of administering the plans. Deductions for fiscal year 2001 totaled approximately \$364.5 million, an increase of 3.7 percent over the previous fiscal year (see pages 4 and 5 of this synopsis).

The increase in benefit payments resulted primarily from an increase both in the number and average amount of benefits paid. Additions of \$129.3 million lagged deductions of approximately \$364.5 million by \$235.2 million during fiscal year 2001.

Investments

For fiscal year 2001, PERF's pension fund net investment loss was \$311.9 million. The Consolidated Retirement Investment Fund (CRIF) had a rate of return of -2.51 percent on a market value basis. The Fund's annualized rate of return over the last five years was 7.29 percent. Proper funding and healthy investment returns are essential to the financial soundness of PERF, particularly in a fluctuating market environment (see page 6 of this synopsis).

Asset Allocation

An integral part of the overall investment policy is the strategic asset allocation policy. This policy is designed to provide an optimal mix of asset classes, in order to meet the Fund's return objectives, while maintaining appropriate diversification and risk control (see pages 6 and 7 of this synopsis).

Funding

The cornerstone of any retirement system is its level of funding. If the funding level is adequate, the ratio of total accumulated assets to total liabilities will be larger and the need for contributions will be reduced. Also, an adequate funding level gives participants assurance that their pension benefits are secure.

Funds are derived from the excess of additions over deductions and are accumulated to meet future benefit obligations to retirees and beneficiaries. This accumulated balance is referred to as the "net assets held in trust for pension benefits" in the Statement of Plan Net Assets on pages 4 and 5 of this synopsis.

The advantage of a well-funded plan is that participants can see assets that are irrevocably committed to the payment of promised benefits. Although PERF's historical level of funding has been good, constant effort will be directed at funding progress to reassure participants of a financially sound retirement system.

Acknowledgements

I would like to take this opportunity to acknowledge the support of the Governor, Lieutenant Governor, and the General Assembly, particularly since the adoption of the state constitutional referendum of 1996 that allowed the Fund to expand its investment portfolio to capture the best possible returns. In addition, the Governor and State Legislature were instrumental in the passage of Senate Bill 64 in July of 2000, which made PERF a "separate body corporate and politic." This put the Board of Trustees in the position to operate the Fund using the best practices from both the public and private sectors.

I would also like to thank the Board, the staff, the advisors, and the many people who have worked so diligently to ensure the successful operation and financial soundness of the Public Employees' Retirement Fund of Indiana.

Our goal remains the same — to assist our members in creating a financially secure retirement system. As we monitor our investments and explore new ways to bring value and service to our customers, we will continue to rely on our best assets — the vision and sound leadership of our Board and the work of our dedicated staff.

Sincerely,



E. William Butler
Executive Director

FINANCIAL HIGHLIGHTS

The following charts provide an overview of the financial condition of the Fund as of June 30, 2001. The Statement of Plan Net Assets shows the assets accumulated as of June 30, 2001. Please note that this information only represents a snapshot of the Fund's financial statements. For complete details on the Fund's financial condition, please refer to the Fund's financial statements.

Statement of Plan Net Assets by Fund June 30, 2001

<i>(Dollars in Thousands)</i> Assets	Public Employees' Retirement Fund	Judges' Retirement System	Excise Police and Conservation Enforcement Officers' Retirement Fund
Cash and Cash Equivalents	\$ 385,091	\$ 6,731	\$ 1,765
Securities Lending Collateral	1,156,377	15,628	5,156
Receivables	225,669	2,766	839
Investments:			
U.S. Treasury and Agency Obligations	1,049,791	14,479	4,777
Corporate Bonds and Notes	1,203,564	16,643	5,491
Common Stock	4,780,677	62,250	20,539
Foreign Bonds	87,587	1,208	398
Mortgage Securities	907,503	12,501	4,125
Real Estate Investment	5,532	0	0
Equipment	138	0	0
Less Accumulated Depreciation	(93)	0	0
Total Assets	\$ 9,801,836	\$ 132,206	\$ 43,090
Total Liabilities	\$ 1,446,351	\$ 19,975	\$ 6,786
Fund Equity:			
Net Assets Held in Trust For Pension Benefits	8,355,485	112,231	36,304
Total Liabilities and Fund Equity	\$ 9,801,836	\$ 132,206	\$ 43,090

Statement of Changes in Plan Net Assets by Fund June 30, 2001

<i>(Dollars in Thousands)</i> Additions			
Total Contributions	\$ 312,713	\$ 13,883	\$ 2,096
Investment Income:			
Investment Income (Loss)	(252,968)	(3,268)	(1,084)
Securities Lending Income	56,121	743	247
Less Investment Expense:			
Investment Fees	(10,334)	(132)	(44)
Securities Lending Fees	(53,607)	(709)	(236)
Net Investment Income	(260,788)	(3,366)	(1,117)
Other Additions	2,405	10	0
Total Additions	54,330	10,527	979
Deductions			
Pension Benefits	269,415	7,974	1,377
Disability Benefits	13,640	227	43
Survivor Benefits	0	0	0
Funeral Benefits	0	0	0
Refunds of Contributions and Interest	28,885	59	1
Transfers to Other Retirement Funds	2,415	0	0
Administrative	8,454	199	151
Total Deductions	322,809	8,459	1,572
Net Increase (Decrease)	(268,479)	2,068	(593)
Net Assets Held in Trust for Pension Benefits:			
Beginning of Year	8,623,964	110,163	36,897
End of Year	\$ 8,355,485	\$ 112,231	\$ 36,304

culated in each Fund for the payment of your retirement benefits. The Statement of Changes in Plan Net Assets shows the additions and deductions of the Fund. refer to the 2001 Comprehensive Annual Financial Report.

1977 Police Officers' and Firefighters' Pension and Disability Fund	Legislators' Retirement System Defined Benefit Fund	Prosecuting Attorneys' Retirement Fund	Total Defined Benefit Plans 2001	Legislators' Retirement System Defined Contribution Fund
\$ 67,871	\$ 212	\$ 558	\$ 462,228	\$ 642
213,985	670	1,543	1,393,359	1,536
55,043	89	271	284,677	203
198,260	621	1,429	1,269,357	1,395
227,892	713	1,643	1,455,946	1,545
852,377	2,669	6,145	5,724,657	6,324
16,536	52	119	105,900	117
171,169	536	1,234	1,097,068	1,226
0	0	0	5,532	0
0	0	0	138	0
0	0	0	(93)	0
\$ 1,803,133	\$ 5,562	\$ 12,942	\$ 11,798,769	\$ 12,988
\$ 269,839	\$ 1,049	\$ 2,111	\$ 1,746,111	\$ 1,877
1,533,294	4,513	10,831	10,052,658	11,111
\$ 1,803,133	\$ 5,562	\$ 12,942	\$ 11,798,769	\$ 12,988
\$ 107,872	\$ 170	\$	\$ 437,852	\$ 954
(44,427)	(141)	(312)	(302,200)	(395)
10,089	33		67,305	72
(1,804)	(18)	(13)	(12,345)	(1)
(9,636)	(31)	(69)	(64,288)	(69)
(45,778)	(157)	(322)	(311,528)	(393)
37	0		2,452	0
62,131	13		128,776	561
16,805	223	224	296,018	0
7,724	0	0	21,634	0
3,778	0	0	3,778	0
156	0	0	156	0
1,574	0	32	30,551	378
0	0	0	2,415	0
656	107	76	9,643	0
30,693	330	332	364,195	378
31,438	(317)	464	(235,419)	183
1,501,856	4,830	10,367	10,288,077	10,928
\$ 1,533,294	\$ 4,513	\$ 10,831	\$ 10,052,658	\$ 11,111

INVESTMENT HIGHLIGHTS

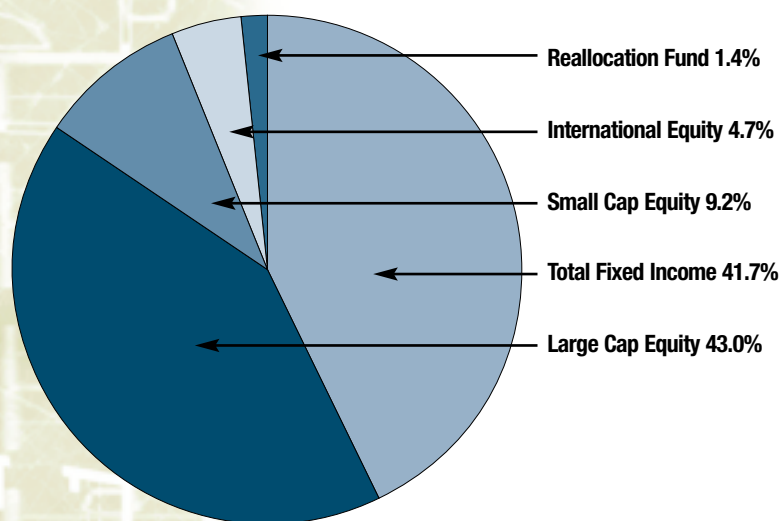
It's been a very challenging year for the State of Indiana Consolidated Retirement Investment Fund (or CRIF), due largely to negative equity markets during the past 12 months. Despite strong performance from the bond markets, the losses in the equity markets offset net contributions and income. As of June 30, 2001, CRIF investments have a market value of \$9.6 billion. This represents a decrease of \$0.2 billion over last year.

Although the CRIF was impacted by the volatility within equity markets worldwide, its performance was strong relative to other public funds and independent benchmarking standards. For example, the CRIF's domestic equity portfolio outperformed both the Russell 3000 Index and the S&P 500 Index, while the fixed income portfolio outperformed the Lehman Brothers Aggregate Index.

The following charts give you a better picture of the CRIF's performance for fiscal year 2001.

Consolidated Retirement Investment Fund Asset Allocation Summary

(in percent)
June 30, 2001



Consolidated Retirement Investment Fund Asset Allocation Summary

(in percent)
June 30, 2001

	June 2000	June 2001
Total Equities	60.2 %	56.9 %
Total Fixed Income	39.0	41.7
Reallocation Fund*	0.8	1.4
Total Fund	100.0	100.0

* The Reallocation Fund consists of residual cash within the Fund, which is used to initiate placements into new asset classes as they are added to the Board's formal investment policy.

Comparative Investment Results For Periods Ended June 30, 2001 (Percent Return)

	1 YR	3 YR	5 YR
Total CRIF Fund	(2.51) %	5.00 %	7.29 %
vs. Mercer Target Composite Universe median	(1.69)	7.26	12.24
Target Reference Index*	(4.61)	4.68	9.43
Russell Mellon Public Funds Universe**	(6.55)	5.83	10.71
Total CRIF Domestic Equity	(10.98)	4.74	NA
vs. Mercer Equity Universe median	(4.30)	7.74	—
Russell 3000 Index	(13.94)	4.24	—
S&P 500 Index	(14.83)	3.90	—
Total CRIF Fixed Income	11.56	6.72	7.80
vs. Mercer Core Investment Grade F.I.P.G. median	11.42	6.25	7.62
LB Aggregate Index	11.23	6.25	7.48
Inflation	3.24	2.99	2.58

CRIF= Consolidated Retirement Investment Fund

* Composed of passive indices for each asset class held at the target allocation.
40% S&P 500, 15% Russell 2000, 10% MSCI EAFE, 35% LB Aggregate.

** Universe of Public Funds over \$1 billion.

2001 Investment Summary (dollars in thousands)

	Beginning Account Balance	Net Contributions	Income & Capital Gains	Ending Account Balance	Rate of Return	Percentage of Total Fair Value
Domestic Equity	\$ 5,951,344	(257,765)	(673,115)	5,020,464	(10.98) %	52.14 %
Foreign Equity	0	500,006	(44,740)	455,266	nmc*	4.73
Total Equity	5,951,344	242,240	(717,855)	5,475,730	(11.60)	56.87
Fixed Income**	3,931,643	(209,435)	429,899	4,152,108	11.56	43.13
Total CRIF***	9,882,987	32,806	(287,955)	9,627,838	(2.51)	100.00

* Note: Foreign equity has "no meaningful calculation" because the portfolio did not exist for the entire 12-month period.

** Fixed income also includes the Reallocation Fund.

***Numbers may not add due to rounding.

List of Largest Assets Held

Largest Equity Holdings

Description	Shares	Traded MV (Base)
General Electric	659,800	\$ 32,165,250
Microsoft	374,600	27,345,800
Citigroup	413,994	21,875,442
Exxon Mobil (shares held before the 2:1 split)	237,244	20,723,263
Pfizer	482,000	19,304,100
AOL Time Warner	285,250	15,118,250
Intel	513,600	15,022,800
Wal-Mart Stores	304,700	14,869,360
IBM	127,300	14,384,900
American International Group	149,850	12,887,100

Largest Bond Holdings

Description	Coupon Rate	Maturity Date	Traded MV (Base)
GNMA 30YR TBA	6.500 %	07/01/2031	\$ 76,157,774
U.S. Treasury Note (TIPS)	3.875	04/15/2029	54,748,957
FNMA 30YR TBA	7.500	07/01/2031	46,390,705
FNMA 30YR TBA	6.500	07/01/2031	33,147,456
U.S. Treasury Note (TIPS)	4.625	05/15/2006	32,644,875
U.S. Treasury Note (TIPS)	3.625	04/15/2028	30,138,777
U.S. Treasury Note (TIPS)	3.625	07/15/2002	30,049,722
U.S. Treasury Note (TIPS)	3.375	01/15/2007	28,843,443
U.S. Treasury Note (TIPS)	3.875	01/15/2009	28,766,071
U.S. Treasury Note (TIPS)	3.625	01/15/2008	28,624,253

PERF'S INVESTMENT OBJECTIVES

The Fund's primary investment objectives are to:

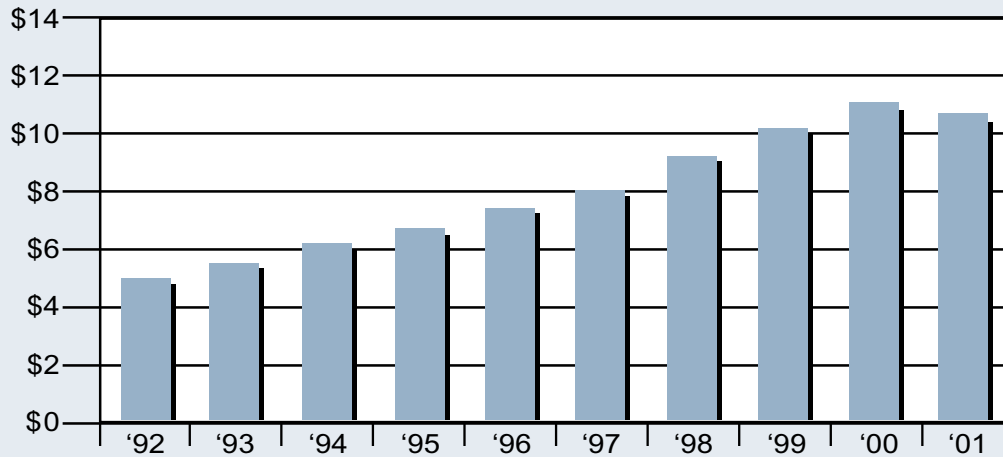
- Preserve Fund assets and
- Generate an appropriate level of risk-adjusted return to meet future pension obligations.

To meet these objectives, the Fund periodically completes an asset allocation and liability study. This study helps determine the optimal amount of diversification expected to generate a return sufficient to meet the Fund's investment requirements.

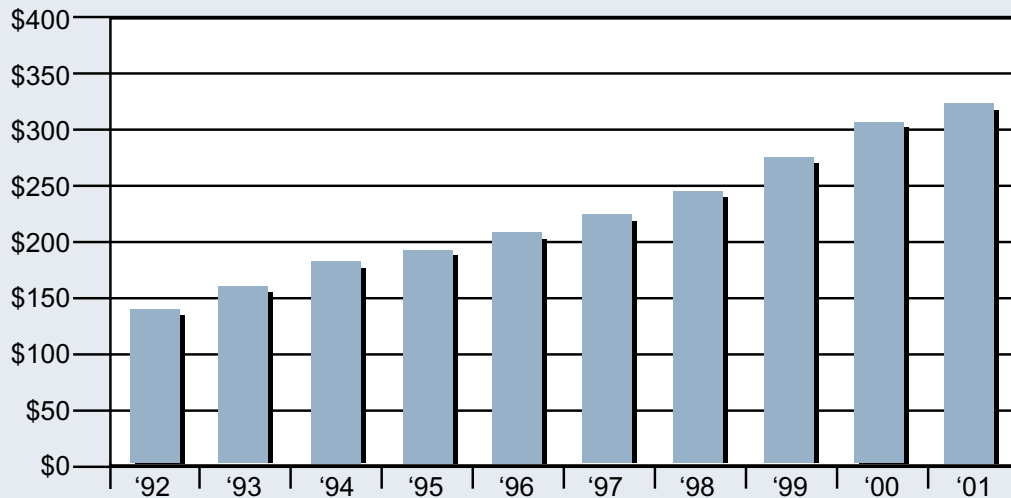
A DECADE OF GROWTH

As you can see in the following charts, the past 10 years have been a time of dynamic growth for PERF in terms of total fund equity and payment of benefits. Total fund equity includes the net assets held in trust for pension benefits of the six separate pension funds and the Legislators' Retirement System Defined Contribution Fund managed by PERF, which are set out in the Financial Highlights on pages 4 and 5. Also included in fund equity is approximately \$530 million in Special Revenue Funds: The Pension Relief Fund, Public Safety Officers' Special Death Benefits Fund, and the State Employee Death Benefits Fund.

Fund Equity (in billions)

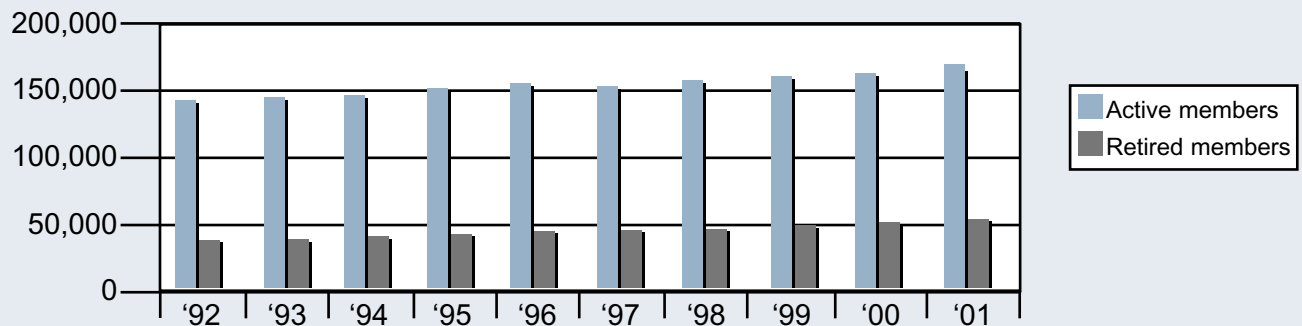


Total Benefits Paid (in millions)



From 1992 to 2001, PERF experienced a significant increase in membership and now provides services to more than 1,200 employers.

Total Membership



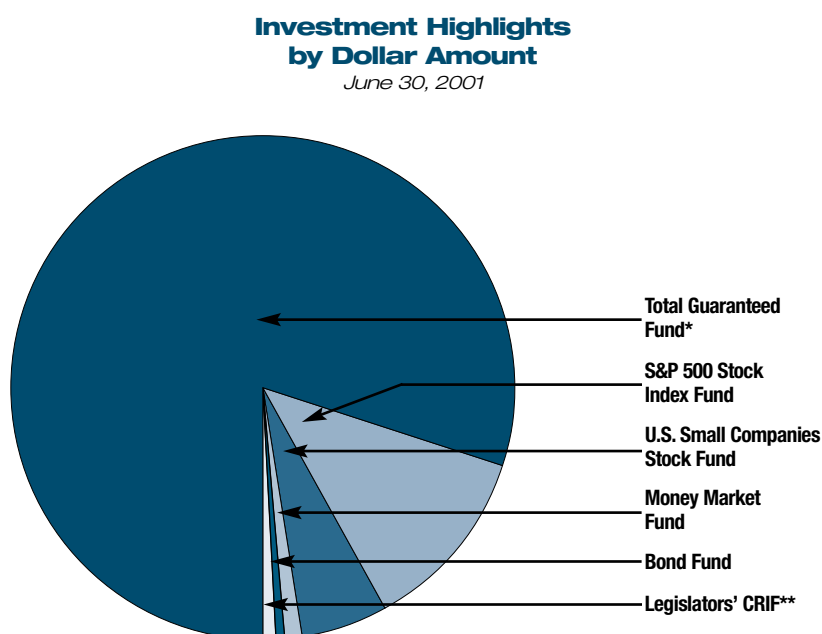
ANNUITY SAVINGS ACCOUNT HIGHLIGHTS

The annuity savings account is another important source of retirement income that PERF provides to its members. It is intended to grow and earn money over time and to supplement your basic retirement benefit.

There are five different investment options to choose from. You direct PERF to put a portion (present balance and future contributions) of your account into any or all of the investment funds:

- Guaranteed Fund,
- Money Market Fund (short-term),
- Bond Fund (fixed income fund),
- S&P 500 Stock Index Fund (equity fund), and
- U.S. Small Companies Stock Fund (equity fund).

Legislators of the State of Indiana also are offered an investment option which tracks the performance of the CRIF. As a result, they do not participate in the Guaranteed Fund.



Investment Highlights by Dollar Amount

	Assets (\$ millions)	Percent of Self-Directed Investments
Total Guaranteed Fund*	\$ 1,399	80.4 %
Legislators' CRIF**	10	0.6
Money Market Fund	10	0.6
Bond Fund	21	1.2
S&P 500 Stock Index Fund	207	11.9
U.S. Small Companies Stock Fund	92	5.3
Total Assets	1,739	100.0

* The Guaranteed Fund is a risk free rate of return set by the PERF Board of Trustees on an annual basis. The guaranteed rate of return for fiscal year 2001 was 8.25 percent.

** Legislators of the State of Indiana are offered an investment option based on the performance of the CRIF. They are not offered the Guaranteed Fund option.

THE BOARD OF TRUSTEES

PERF's Board of Trustees is charged with running the Fund responsibly and efficiently. The Board is responsible for overseeing the operation of the Fund and ensuring that all member and employer contributions are invested wisely to fund your future retirement benefits. Here are the members of the Board of Trustees:



Richard Doermer, Chair

Richard Doermer was appointed to the PERF Board of Trustees in 1976 by then-Governor Otis Bowen, and is serving under his fourth Governor of Indiana. He has served as Board Chair since 1997. Mr. Doermer spent 35 years as Chairman and Chief Executive Officer of Summcop, an Indiana-based multi-bank holding company, and later as Chairman and Chief Executive Officer of NBD Bancorp's northeastern Indiana operations until his retirement from NBD in 1993. During his distinguished career in banking, he served in various capacities of organizing, incorporating and serving on boards for a number of banks throughout northern and eastern Indiana. Currently, Mr. Doermer serves as Vice Chairman of the Board for Avis Industrial Corporation in Upland, Indiana.

Mr. Doermer served in the United States Navy during World War II in the Pacific Theater. He is a graduate of the University of Notre Dame and received his law degree from Cornell University.



Nancy Turner, Vice Chair

Nancy Turner was appointed to the PERF Board of Trustees in 1992 by then-Governor Evan Bayh, and has served as Vice Chair of the Board since 1997. Mrs. Turner retired in 1998 as the Head of Archives and Special Collections at Ball State University Libraries in Muncie. Indiana law mandates that one member of the Board be a member of the Fund with at least 10 years of creditable service. Having been employed by a public university in the state, Mrs. Turner is a retired member of the Fund. She is currently a member of the Society of American Archivists and served as the Vice Chair of that organization's College and University Section from 1994-1996.

Mrs. Turner was graduated from Ball State University with a Bachelor's Degree in History and two post-graduate degrees in Library Science and History.



Jonathan Birge

Jonathan Birge was appointed to the PERF Board of Trustees in 1999 by Governor Frank O'Bannon. Mr. Birge joined the Indianapolis law firm of Bingham Summers Welsh & Spilman, LLP in 1966 and is now a Partner. His areas of practice are in corporate, banking and administrative law. Prior to his legal career, Mr. Birge worked on the staffs of an Indiana Congressman and United States Senator, and ran as a candidate for Indiana Attorney General in 1976. He is currently President of the Orchard Country Day School Board of Governors, as well as a member of the Board of Directors of the Indiana Mental Health Association.

Mr. Birge is a graduate of Yale University and received his law degree from the University of Michigan. He is currently pursuing a Ph.D. in Psychology.



Teresa Ghilarducci

Teresa Ghilarducci was appointed to the PERF Board of Trustees in 1997 by Governor Frank O'Bannon. Dr. Ghilarducci has been on the faculty in the Department of Economics at the University of Notre Dame since 1983. Her 1992 book, *Labor's Capital: The Economics and Politics of Employer Pensions*, published by MIT Press, won an American Publisher Association award for business books. She has published another book and many other articles pertaining to labor markets and pension economics. In 1995, Dr. Ghilarducci was appointed by President Clinton to the Pension Benefit Guaranty Corporation's Advisory Board. Since 1994, she has traveled three continents and 18 international capitals to advise trade unions and governments on Social Security policy.

Dr. Ghilarducci earned her Bachelor's Degree and Ph.D. in Economics from the University of California at Berkeley.



Steven Miller

Steven Miller was appointed to the PERF Board of Trustees in 1997 by Governor Frank O'Bannon. Mr. Miller currently serves as the Treasurer of Indiana University in Bloomington, as well as Chairman of the University Investment Committee responsible for establishing and implementing the university's investment policy. Having served as Director of Fixed Income Marketing for Aetna Capital Management in Hartford, Connecticut, and as Pension Trust Investments Manager for the Upjohn Company in Kalamazoo, Michigan, Mr. Miller is a finance and investment professional with more than 25 years of experience in industrial, financial services, and academic institutions.

Mr. Miller served as a United States Army Artillery Officer from 1970-72 and was honorably discharged from the Army Reserves in 1978 at the rank of Captain. He earned his Bachelor's Degree and MBA from Indiana University.

THE EXECUTIVE DIRECTOR

E. William Butler



Mr. Butler has been Executive Director of PERF since 1998 and is responsible for managing day-to-day operations, overseeing the Fund's investment portfolio, as well as advising the Board of Trustees on various issues facing administration of the Fund's activities. Prior to coming to Indiana, Mr. Butler served as the Chief Operations Officer of the Police & Fireman's Disability and Pension Fund, and Government Affairs Counsel to the Office of the Attorney General in the State of Ohio. He has a proven track record of successfully revitalizing organizations throughout

his tenure as an operations officer in diverse professional settings.

Mr. Butler earned his Bachelor's and Law Degrees from the Ohio State University, as well as a Master's in Education from the University of Cincinnati.

KEEPING YOUR ADDRESS CURRENT

PERF can provide efficient customer service only if we have a current address for our members. Please remember to contact us when your address changes. After 60-90 days, the post office will no longer forward mail to your new address. Consequently, you will no longer receive quarterly statements of your Annuity Savings Account and updates of developments within the Fund unless you complete a Change of Address Form with our office. The forms can be easily obtained via the PERF web site, your human resources department, or directly from our office.

INCOME TAX FORM 1099R FOR 2001

The 1099R Form for retirees will be mailed the last week of January. You will need this form to file your federal and state income tax returns for 2001. It is very important to alert us if your address has changed. You should expect to receive the 1099R Form in the mail, with an instruction sheet from PERF, during the first 10 days of February. Also, you may change the tax withholding on your PERF benefits at any time. Just call PERF and request a Tax Withholding Form, or send us a signed notification of the changes you would like to see made to your state and federal tax withholding, including your name, Social Security Number, address, and phone number.

PUBLIC EMPLOYEES' RETIREMENT FUND INDIANA

BOARD of TRUSTEES

RICHARD T. DOERMER
Chair

NANCY K. TURNER
Vice Chair

JONATHAN BIRGE
Trustee

TERESA GHILARDUCCI
Trustee

STEVEN MILLER
Trustee

ADMINISTRATIVE STAFF

E. WILLIAM BUTLER
Executive Director

DIANN CLIFT
Director of Information Technology

PATRICIA GERRICK
Chief Investment Officer

EDWARD GOHMANN
Fund Counsel

WILLIAM HUTCHINSON
Director of Benefits Administration
Public Employees' Retirement Fund

PATRICK LANE
Director of Communications

DOUGLAS MILLS
Chief Financial Officer

JAMES OSBORN
Programs Director

R. THOMAS PARKER
Director of Benefits Administration
1977 Police Officers' & Firefighters' Pension and
Disability Fund, Legislators' Retirement System,
Prosecuting Attorneys' Retirement Fund, 1977 & 1985
Judges' Retirement Systems, and Excise Police &
Conservation Officers' Retirement Plan

KENNETH STOUGHTON
Director of Human Resources

HARRISON BUILDING
143 WEST MARKET STREET
INDIANAPOLIS, INDIANA 46204

TOLL-FREE: 1-888-526-1687
HEARING IMPAIRED (TDD): (317) 233-4160
FAX: (317) 233-1765

www.in.gov/perf

PUBLIC EMPLOYEES' RETIREMENT FUND
INDIANA

HARRISON BUILDING
143 WEST MARKET STREET
INDIANAPOLIS, INDIANA 46204

**Presorted
Standard
U.S. Postage
PAID
Indianapolis, IN
Permit No. 8892**

IMPORTANT FUND FINANCIAL INFORMATION ENCLOSED

ABOUT THIS NEWSLETTER

This newsletter was developed for the exclusive use of the Public Employees' Retirement Fund of Indiana. Every effort has been made to ensure that the information in this newsletter is accurate. If any discrepancy exists between this newsletter and official Fund documents, then the official documents shall apply.